

Iowa Department of Administrative Services

Government's Partner in Achieving Results



Chester J. Culver, Governor
Patty Judge, Lt. Governor

Ray Walton, Director

October 19, 2009

TO: DAS Customer Council Members
FR: Ray Walton
RE: Rate Cuts & Cash Rebates

In advance of tomorrow's (10-20-09) DAS Customer Council meeting, I am sharing with all of you the steps DAS is planning to take in addition to the ten percent reduction in our General Fund appropriation.

We are making these preemptive measures with the understanding that, as our customer agencies see their budgets reduced, they will have fewer resources to spend on DAS utilities or marketplace services. All Executive Branch agencies must share in the sacrifices we face and we need to do our best to maintain an effective partnership in dealing with the fiscal challenges that lay ahead.

The actions we are proposing include cuts to rates as well as cash rebates to agencies - and are significant in that they will result in staff reductions in DAS and cuts in services from DAS. In all, we are proposing a total rebate of \$2.3 million and rate cuts that will increase the reduction to our client agencies to about \$3 million. Please take the time to review these rate reductions in the information attached.

We believe that certain DAS utilities cannot be cut. These include:

- *Risk Management* – The State of Iowa's vehicle fleet is self insured and this balance must be maintained to cover administration and repairs
- *Unemployment Insurance* - This is a calculated figure over which DAS has no control
- *Workers' Comp* - This is a calculated figure over which DAS has no control
- *Golden Dome Awards* - This is a fixed expense which DAS cannot control
- *Flexible Spending* - This is a calculated figure over which DAS has no control
- *State Surplus* – Costs are covered by actual sales
- *Blanket Bond* – This is a fixed expense over which DAS has no control
- *Architectural & Engineering Services* - These fees are charged to specific construction projects that have been approved by the legislature or Vertical Infrastructure Committee, only. Agencies do not pay this fee.
- *Fleet Depreciation* – The Legislature required a full refund of this account. Agencies pay in only at their discretion.
- *Authorization and Authentication* – This is a new utility that is currently running a negative balance.

In the past, DAS has rebated \$4,166,576 to its customers in an effort to assist agencies with ongoing budget challenges. Combined with today's proposed cuts/rebates of about \$3 million, I feel that we are making every possible effort to work with our customers/partners. I hope that you all agree and that we can continue working together to effectively meet the difficulties state government faces.

Thank you.

PROPOSED FY2010 DAS UTILITY RATE CHANGES

October 20, 2009 (Revised Final Version)

DAS UTILITIES	BASIS FOR RATE CALCULATION	ANNUALIZED RATES		
		FY10 (FINAL)	FY10 (REVISED)	REBATE
State Accounting Enterprise (SAE)				
I/3 (Integrated Information for Iowa)	Annual allocation	N/A		\$315,930
Information Technology Enterprise (ITE)				
Directory Service	FT & PT Perm Employee-3rd Qtr FY2009	\$6.75		\$15,700
Information Security Office (ISO)	FT & PT Perm Employee-3rd Qtr FY2009	\$16.22		\$37,000
Service-Oriented Architecture (SOA)	FT & PT Perm Employee-3rd Qtr FY2009	\$4.27	\$3.84	
Authentication & Authorization (A&A)	FT & PT Perm Employee-3rd Qtr FY2009+ usage	\$4.67 + usage	No Change	
Human Resources Enterprise (HRE)				
Benefits	FT & PT Perm Employee	\$29.40		\$77,000
Personnel Officers	FT & PT Perm Employee	\$74.28		\$200,000
Labor Relations	FT & PT Perm Employee	\$20.04		\$56,000
Employment Services:				
Merit Only	FT & PT Perm Employee	\$21.54	\$20.47	
Merit and Non-Merit	FT & PT Perm Employee	\$59.28	\$56.32	
Health Insurance Surcharge	Per participant	\$24.00	No Change	
Golden Dome	Full-time Perm Employee	\$2.00	No Change	
Unemployment	Head count	\$1.25	No Change	
Flexible Spending	Per participant	\$51.12	No Change	
Workers' Compensation	Annual allocation	N/A		
General Services Enterprise (GSE)				
Association Fees:				
Office & Storage Space (combined)	Per square foot	\$3.29	\$ 2.96	
Ankeny Labs	Per square foot	\$5.26	\$4.73	
Purchasing	Annual allocation	N/A	N/A	\$100,000
Mail Services	Annual allocation	N/A	N/A	\$125,000
Blanket Bond	FT & PT Perm Employee-3rd Qtr FY2009	\$1.58	No Change	
Fleet -- Risk Management	Per active vehicle	\$288.00	No Change	
Leasing, Fee at Seat of Govt.	Per square foot	\$0.12	\$0.11	
Fleet Management	Total budget divided by 12 divided by active vehicle. Rate changes every month.		We will reduce our total budget by 10 percent.	
Fleet Depreciation	Per active vehicle	N/A	N/A	
Architectural & Engineering Services	Per hour	\$83.84	No Change	
Leasing, Fee Outside Seat of Govt.	Per hour	\$61.90	\$55.71	
State Surplus		N/A	N/A	

DAS FY2010 MARKET PLACE PRICES
Informational Item Only

DAS MARKETPLACE	PRICES		
	FY10 (FINAL)	FY10 (REVISED)	REBATE
Information Technology Enterprise (ITE)			
Storage ¹	-	-	\$750,000
Print ²	-	-	\$300,000
Networking ³	-	-	\$150,000
Human Resources Enterprise (HRE)			
General Services Enterprise (GSE)			
State Garage			\$100,000
Motor Pool			\$100,000

¹ Storage rebate will be distributed based upon proportional usage for the first 3 months of the year.

² Print rebate will be distributed based upon proportional usage for the first 3 months of the year.

³ Network rebate will be distributed based upon proportional usage for the first 3 months of the year.